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SUBJECT: ZAGREB WEEKLY REPORT- OCTOBER 2, 2009

11. (SBU) MAYOR BANDIC SAYS THE RIGHT THINGS ABOUT CROATIA AND EUROPE; PRESIDENTIAL ASPIRATIONS? During an initial courtesy call with the Ambassador on September 28, four-term Zagreb Mayor Milan Bandic described the relationship between the city of Zagreb and the Embassy as excellent. He also expressed his appreciation for the US role in supporting Croatia, s accession to NATO, and noted that Croatia "will not forget its US ties" as it joins the EU. Bandic also said all the right things about the need for Croatia to take a constructive approach toward Bosnia, noting that in the interest of regional stability Croatia is committed to finding a way forward. This is not the time for "nationalist rhetoric," but rather for cooperation and open communication among all interested parties, Bandic affirmed. Bandic was a little less direct about his own presidential ambitions, refusing to declare himself one way or another. However, in describing his own accomplishments Bandic painted a portrait of an ideal presidential candidate, noting, for example, that he was most proud of the fact that during his recent re-election campaign he received a letter of support signed by representatives of 16 ethnic minorities. Bandic's subsequent comments on the upcoming presidential race sounded a lot like a campaign speech. Beginning with the observation that "the people of Zagreb elected the mayor they wanted to see," he went on to note that "all the (declared) presidential candidates are good... but there will be more... the people will choose the best... Croatia wants a normal person who will unite the people and leave ideology behind while retaining dignity." Bandic went on: "The war (of the 90s) is behind us. We are opening a new page. Whoever has the best vision will collect the people around that vision." In short, Bandic was ambiguously unambiguous about his presidential aspirations. (VWALKER)

12. (U) FIRST ROUND OF SHIPYARD PRIVATIZATIONS FALLS FLAT The State Privatization Fund (HFP) sold 32 sets of tender documents for the purchase of six shipyards, but received only two valid bids by the submission deadline on September 30, 2009. Trogir-based "More Trogir" consortium submitted a bid for the Brodotrogir shipyard of Trogir, and Zagreb-based "Adria Mar Brodogradnja" submitted a bid for the Split BSO shipyard. Adria Mar, despite not being willing to participate in the restructuring as required by the tender, has submitted a letter of intent from the Libyan Government, stating that Libya intends to order patrol boats for its Coast Guard from the BSO shipyard, should Adria Mar be awarded the tender. More Trogir, however, has no intention of preserving shipbuilding activities and plans to convert the shipyard into a tourist resort. According to various sources, none of the bids will be accepted because they do not fully satisfy all conditions initially set for the privatization tender. Upon reviewing the bids, Deputy Prime Minister Polancec stated, "It has become apparent now that the shipbuilding problems are much greater than stated in the informative memo issued last year. However, there is no alternative to continuing with the restructuring and we need to prepare a second round of privatization as soon as possible." (DMATIJAS)

13. (U) ICTY CHIEF PROSECUTOR VISITS CROATIA On September 28 and 29, Chief Prosecutor Serge Brammertz from the International Criminal Tribunal for the Former Yugoslavia (ICTY) met with Croatian officials regarding the missing documents his office requested from Croatia in the ongoing trial of three Croatian generals. Brammertz, in an interview with Vecernji List newspaper, said that the missing documents remain the "key problem" in the country, s cooperation with ICTY. The GoC, in a statement after Brammertz's talks with Prime Minister Kosor, said that the Croatian government is willing to meet all requests from the Hague war crimes tribunal's prosecution and take all steps necessary to make its cooperation with the tribunal as successful as possible. Brammertz also held a briefing for the diplomatic corps and said that little progress has been made since his last visit in June, but that Croatian officials promised to undertake additional efforts to search for the documents. Septel reports on Justice Minister Simonovic's Oct. 2 discussions with the Ambassador on how the GoC will try to address Brammertz's criticisms. (CZIMMER) FOLEY